

Table 16b

Distribution of strategic importance of merging with or acquiring other companies, by selected company characteristics and innovation**status: 2001**

(Percent distribution)

Characteristic	Total	Importance			Nonresponse
		No or little	Moderate	Great	
All companies.....	100.0	50.6	34.9	13.5	1.0
IT.....	100.0	40.4	40.4	17.8	S
Manufacturing.....	100.0	45.6	37.0	16.3	S
Communication.....	100.0	29.4	43.5	25.7	S
Computer related services.....	100.0	40.8	41.4	16.2	S
Non-IT.....	100.0	52.2	34.1	12.8	S
Manufacturing.....	100.0	55.7	31.7	11.8	S
Transportation & public utilities.....	100.0	46.1	39.1	13.7	S
Finance, insurance & real estate.....	100.0	46.9	37.0	15.0	S
Engineering & AAB services.....	100.0	44.6	39.6	14.8	S
By revenue size					
\$2.5M to \$4.9M.....	100.0	56.7	28.9	13.7	S
\$5M to \$9.9M.....	100.0	46.7	39.5	13.3	S
\$10M to \$24.9M.....	100.0	57.0	32.2	9.5	S
\$25M to \$50M.....	100.0	38.9	43.5	14.2	S
Above \$50M.....	100.0	29.7	47.1	23.2	0.0
Innovators ¹	100.0	46.1	38.6	14.2	S
IT.....	100.0	39.0	40.7	18.7	S
Manufacturing.....	100.0	41.2	39.7	18.4	S
Communication.....	100.0	26.0	43.9	28.6	S
Computer related services.....	100.0	41.8	40.2	16.1	S
Non-IT.....	100.0	47.9	38.0	13.0	S
Manufacturing.....	100.0	53.9	34.3	S	S
Transportation & public utilities.....	100.0	35.9	46.2	17.1	S
Finance, insurance & real estate.....	100.0	42.2	41.5	15.0	S
Engineering & AAB services.....	100.0	42.4	40.2	16.8	S
By revenue size					
\$2.5M to \$4.9M.....	100.0	51.3	34.2	13.9	S
\$5M to \$9.9M.....	100.0	44.2	37.0	18.1	S
\$10M to \$24.9M.....	100.0	50.0	38.6	10.6	S
\$25M to \$50M.....	100.0	35.8	47.3	S	S
Above \$50M.....	100.0	36.0	47.5	16.5	0.0
Noninnovators ¹	100.0	54.7	31.5	13.1	S
IT.....	100.0	44.5	38.9	15.6	S
Manufacturing.....	100.0	50.9	33.5	S	S
Communication.....	100.0	39.1	40.6	S	S
Computer related services.....	100.0	S	47.9	S	0.0
Non-IT.....	100.0	55.5	30.9	12.9	S
Manufacturing.....	100.0	56.7	29.9	12.7	S
Transportation & public utilities.....	100.0	53.7	34.0	S	S
Finance, insurance & real estate.....	100.0	53.9	30.4	S	0.0
Engineering & AAB services.....	100.0	45.8	39.9	12.5	S
By revenue size					
\$2.5M to \$4.9M.....	100.0	61.0	24.4	14.2	S
\$5M to \$9.9M.....	100.0	48.5	41.7	9.4	S
\$10M to \$24.9M.....	100.0	63.8	26.2	S	S
\$25M to \$50M.....	100.0	43.0	S	S	S
Above \$50M.....	100.0	S	47.0	S	0.0

¹ Breakdowns by innovation exclude 32 cases, representing 1,100 companies, in which innovator status could not be determined. To be classified as an innovator, the company had to indicate that it had developed a product or process in the past 12 months or believed it would develop a product or process in the next 12 months as a result of IT-based innovation. The survey was conducted during the period July 2001–April 2002.

KEY: IT=information technology; AAB=accounting, auditing, bookkeeping; S=suppressed for reasons of reliability due to receiving less than 20 responses

NOTES: Responses are to question 4f: "On a scale of 1 to 10, where 1 is not at all important and 10 is extremely important, how important is merging with or acquiring other companies for your company's growth strategy?" The category "No or little importance" represents a response of 1, 2, or 3 to this question. The category "Moderate importance" represents a response of 4, 5, 6, or 7 to this question. The category "Great importance" represents a response of 8, 9, or 10 to this question. Total nonresponse consists of item nonresponse and don't know responses. Percentages are based on unrounded frequencies and may not total 100 due to rounding.

IT is defined as the hardware and software that support the production or use of computer-based information systems, the infrastructure necessary to access such information systems, or data processing services. Companies are classified as IT or Non-IT based on their 4-digit SIC number. IT Manufacturing includes companies with SICs of 3571-3579, 3651, 3661-3679, 3695, 3823-3826. IT Communication includes companies with SICs of 4812-4822, 4832, 4833, 4841-4899. IT Computer related services includes companies with SICs of 7371-7379. Non-IT Manufacturing includes companies with SICs of 2011-3569, 3581-3648, 3652, 3691-3694, 3699-3822, 3827-3999. Non-IT Transportation & public utilities includes companies with SICs of 4011-4231, 4412-4789, 4911-4971. Non-IT Finance, insurance & real estate includes companies with SICs of 6011-6036, 6081-6153, 6159, 6162-6799. Non-IT Engineering & AAB services includes companies with SICs of 8711, 8721.

SOURCE: National Science Foundation, 2001 Information Technology Innovation Survey.